

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

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**K2210012**

Appeal of

Heather Technologies Corporation from  
Supplier Clearinghouse Verification Order  
No. 22000055

K.22-10-\_\_\_\_\_  
(Filed on October 20, 2022)

**NOTICE OF APPEAL OF HEATHER TECHNOLOGIES CORPORATON**

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Appeal of

Heather Technologies Corporation from The  
Supplier Clearinghouse Verification Order  
No. 22000055

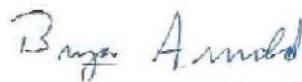
**NOTICE OF APPEAL OF HEATHER TECHNOLOGIES CORPORATION**

Heather Technologies Corporation (“Heather Technologies”) files this Notice of Appeal from the denial of Verification Order No. 22000055 issued on May 27, 2022 (denial) and September 30, 2022 (decision on appeal). The rationale for the appeal is as follows:

Heather Technologies disputes The Supplier Clearinghouse’s denial of its application to be certified as a Women-owned Business Enterprise (“WBE”). Heather Technologies fully satisfies the requirements of General Order 156, as it is (1) a business enterprise that is at least 51% owned by a woman and (2) the same woman controls the management and daily business operations of the enterprise. In rejecting its application, The Supplier Clearinghouse’s decision was based on an improper standard, employed previously undisclosed evaluation criteria, and factually incorrect. Heather Technologies respectfully requests that The Supplier Clearinghouse’s decision be overturned and that Heather Technologies application to be certified as a WBE be granted.

Dated: October 20, 2022

Respectfully submitted,



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Attachments:

Attachment A: Basis for Heather Technologies Corporation's Appeal of The Suppliers Clearinghouse Denial of Certification of Business as a General Order 156 Women-Owned Business.

Attachment B: May 27, 2022 Supplier Clearinghouse Denial Notification

Attachment C: September 30, 2022 Supplier Clearinghouse Appeal Response

Attachment D: Heather Technologies Corporation Stock Certificates

**ATTACHMENT A**

**BASIS FOR HEATHER TECHNOLOGIES CORPORATION'S APPEAL OF THE  
SUPPLIERS CLEARINGHOUSE DENIAL OF CERTIFICATION OF BUSINESS AS A  
GENERAL ORDER 156 WOMEN-OWNED BUSINESS**

## **APPEAL OF CLEARINGHOUSE VERIFICATION ORDER NO. 22000055**

### **ATTACHMENT A:**

#### **Basis for Heather Technologies Corporation's Appeal of The Suppliers Clearinghouse Denial of Certification of Business as a General Order 156 Women-Owned Business**

Pursuant to General Order ("Gen. Or.") No. 156, Part 7, of the California Public Utilities Commission, Heather Technologies Corporation ("Heather Technologies") files this Notice of Appeal, which is to be docketed as a formal proceeding. Heather Technologies is appealing The Supplier Clearinghouse ("Clearinghouse") Verification Order No. 22000055, in which the Clearinghouse denied Heather Technologies' application for certification as a Women-owned Business Entity ("WBE"). Heather Technologies has exhausted its remedies under the Clearinghouse's internal appeal process. Thus, this Notice of Appeal is the proper procedural vehicle to appeal the Clearinghouse's decision. Gen. Or. No. 56, §§ 7.1, 7.2.1.

#### **I. INTRODUCTION**

Heather Technologies, which was formed last September, is a distributor of cable, wiring, and other network infrastructure products to the computer and telecommunications industries. In January it applied for certification as a WBE. To qualify as a WBE, 51% of the stock of a company must be owned by a woman and that same woman must control the management and daily business operations of the company. Gen. Or. 156, § 1.3.3, p. 5. Heather Technologies fully satisfies both of these criteria.

First, Heather Technologies is owned by Heather and James Wade,<sup>1</sup> with Heather owning 51% and James owning 49% of the stock. Second, Heather is in control of and manages the day-to-day operation of Heather Technologies. She designs, implements, and maintains Heather

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<sup>1</sup> For convenience and clarity purposes, Heather Technologies will use Heather Wade and James Wades first names in this Attachment.

Technologies' process and procedures; sets the financial and profit goals for the company; establishes its negotiation strategy, and sets expenditure guidelines. All purchases, sales, and contracts must be approved by Heather. She is also responsible for addressing and resolving vendor and customer issues. By any measure, Heather is a majority owner and in control of the corporation within the meaning of General Order No. 156. Consequently, Clearinghouse erred when it rejected Heather Technologies' application and it should be certified as a WBE.

## **II. BACKGROUND FACTS**

1. Heather Technologies is a new, closely held California corporation. It was formed by Heather and, her husband, James on September 23, 2021. Heather Wade owes 51% of Heather Technologies' stock. James Wade owns the remaining 49%. Att. D.

2. Heather Technologies is a distributor of network infrastructure products for the computer and telecommunications industries. It maintains a warehouse of cable, wiring, and other equipment, which it sells directly to end users. It also dropships products from vendors and manufacturers directly to customers. It works with vendors and customers from across the U.S.

3. Heather is responsible for the day-to-day management of Heather Technologies, which includes designing, establishing, implementing, monitoring, and maintaining all of its processes and procedures. This includes its financial system, purchasing processes, vendor relationships, personnel functions, sales operations, and customer service functions.

4. Heather sets the overall direction of the company, which includes its financial goals and budgeting. She sets profit guidelines and the parameters for the negotiation of sales, purchases, and other contracts. Heather has final approval over all aspects of the company, including final sign off on all vendor contracts, purchase orders, customer sales, and hiring decisions. Heather is in control of all company credit cards, banking accounts, and issuance of

checks. She also reviews all expenditures and instructs Heather Technologies' employees on expenditure limits and purchases.

5. The systems that Heather has implemented allow her to have access to all aspects of the company at all times. All communications are sent to her directly and she has access at all times to employee, vendor, and customer records and all other critical information through her cell phone or one of her laptops. Heather can access this information at a touch of a button or by voice command wherever she is located.

6. Heather is responsible for and actively involved in Heather Technologies' marketing strategy and activities. These activities include breakfast and lunch meetings with vendors and potential customers, weekend entertaining, and industry conferences. Heather attended the five-day BICSI Conference and Exhibition in Orlando, Jan 2022, the five-day BICSI Conference and Exhibition Las Vegas in September 2022, and will attend the Orlando January 2023 BICSI conference. She attended and worked the Heather Technologies exhibition booth at the AFCEA TechNet Indo-Pacific US Military Conference this last April and will do the same at the fall AFCEA TechNet Indo-Pacific US Military Conference this November 1st. She has attended many other one day events, in person and virtual events over the last year.

7. Heather has control over the handling of customer and vendor issues, concerns, and disputes. Working with Heather Technologies staff, she works directly with customers and vendors to address any concerns and provides overall direction to her staff to address any issues.

8. Heather Wade also works as a Senior Manager, Lease Process Administration, with the Irvine Company. She and her staff are responsible for ensuring that the leasing process and standards for over 54 million square feet of property are maintained. Through this work, she

has gained substantial experience in developing and managing people, as well as business processes and procedures that are of significant value in managing Heather Technologies.

9. Heather is accustomed to working 60+ hour weeks. Her position with the Irvine Company is a salary position. She works primarily from her home. However, she may work at the Irvine Company one or two days a week, at the Heather Technologies location one or two days a week, or start at the Irvine Company and finish at Heather Technologies' office. She has the flexibility to manage Heather Technologies' operations throughout the day in "normal" working hours, as well as all other times.

10. As a relatively new corporation, Heather Technologies is still in the process of developing its business. It has also been impacted by global supply problems, which have severely limited Heather Technologies ability to source products to sell. Neither Heather nor James have drawn a salary or taken any money out of Heather Technologies since its formation.

11. James Wade functions as a sales executive for Heather Technologies. James has significant experience, having worked as sales representative and sales manager in the cable, wiring, and data communication industry for over 40 years.

12. For twenty of those years, James worked as an independent contractor for OCC Optical Cable ("OCC") as a Sales Representative, with responsibility over southern California. In 2000, he was offered expanded territory if he would hire sales personnel to assist him. At that point, he formed Bluestone Networks, which hired some personnel but they left after a few years. James left the corporation in place, but did not publicly promote it.

13. In the course of his work, he developed strong relationships with vendors and supply sources. Heather Technologies has relied on his experience and reputation to promote Heather Technologies, build credibility with vendors and suppliers, and grow its business.



14. James, who is 67 years old, suffers from significant health issues. Before assisting in the formation of Heather Technologies, James was retired. He has been diagnosed with Atrial Fibrillation, a condition where there is an irregular or very rapid heart rhythm that can lead blood clots and other problems. He is on a strict drug regimen to address his health issues, which has made it difficult for him to function. While serving as an outside sales representative for OCC, Heather assisted him in fulfilling his job duties significantly. He has undergone over 10 cardioversions over the years had has approximately 8 ablations, the last of which required 2 surgeons and involved piercing through the heart from the right to left chamber. James had a pacemaker installed October 13th and has been directed to rest for the next 45 to 60 days.

15. James was cut from his sales position with OCC in 2016 because of the difficulties he experienced. He tried other positions but found it difficult to function. James had attempted to resurrect his idle corporation Bluestone Networks by finding other lines to represent, but was unsuccessful. For all intents and purposes, James was retired for a least 3 years before forming Heather Technologies with Heather.

16. He has experienced instances of lightheadedness and fainting over the last year. His family has a history of dementia and has experienced some cognitive decline, for which he takes medicine. Given his limited stamina and concentration issues, James is not in a position to run Heather Technologies and does not do so. Because of his physical condition, James can only work, at best, a few hours a day, which he works to generate supply sources and customers for the business, handle the initial negotiations, and offer his advice regarding operational questions.

17. Heather also has experience in the cable, wiring, and data communications industry. In addition to assisting James in his work as a result of his health issues, Heather worked as a HR and Accounting Manager, as well as the Executive Assistant to the President of

American Communications Corp. (“ACC”), a cabling and phone system contractor. In this role, she gained knowledge and insight regarding corporate management, compliance systems, and contract management, among other things.

18. Heather Technologies is a small, closed corporation. At its formation, James was given the title of “president” and Heather assumed the title of “chief financial officer.” They did so to make James the face of the organization to take advantage of his name recognition and stature in the industry. This was particularly important to gain the confidence of the vendors critical to supply the products sold by Heather Technologies. The titles are not reflective of their actual roles or their responsibilities within Heather Technologies.

### **III. THE CLEARINHOUSE ERRED IN REJECTING HEATHER TECHNOLOGIES’ APPLICATION**

General Order No. 156 defines a “women business enterprise” as one that is “at least 51% owned by a woman or women” and “whose management and daily business operations are controlled by one or more of those individuals.” Gen. Or. 156 § 1.3.3, p. 5. The term “control” is further defined as “exercising the power to make policy decisions.” *Id.* § 1.3.14 p. 6. By any measure, Heather Technologies meets these requirements.

#### **A. There Is No Question that Heather Wade Owns at Least 51% of Heather Technologies**

As shown by the stock certificates, Heather owns 51% of Heather Technologies’ stock and James owns 49%. Att. D. As the majority shareholder, Heather has control of Heather Technologies. Consequently, the first prong of WBE certification is satisfied.

#### **B. Heather Wade Controls the Day-to-Day Management and Daily Operations of Heather Technologies**

In rejecting the application, the Clearinghouse found that Heather cannot independently run the company and is dependent on James to run the company. Att. C, p. 2. The irony in this

finding is that James is physically unable to manage the company, yet Heather Technologies has been operating successfully for a little over a year. It has been able to do so because it is Heather that is managing the company and has overall authority for its day-to-day activities.

The test for control under General Order 156 is not who has more knowledge of a particular industry within a company or the relative value of a particular employee or owner to the overall company's objectives. Rather, the test is whether the majority owner actually is controlling the management and day-to-day operation of a company by "exercising the power to make policy decisions." Gen. Or. 156, § 1.3.14, p. 6.

The evidence before the Clearinghouse demonstrated that it was Heather who (1) designed and implemented the company procedures; (2) sets the company goals and parameters for purchases, sales, and contract negotiations; (3) must approve all contracts, sales, and purchases; and (4) sets guidelines and reviews all expenditures. These are all functions and responsibilities that Heather has and performs, not Jim. Thus, Heather is in "control," as she manages the company and exercises the power to make policy decisions. Consequently, Heather Technologies' WBE application should have been granted.

**C. The Clearinghouse Applied an Improper Standards and Criteria for Assessing Control**

**1. The Clearinghouse Finding that Heather Lacks Industry Experience Is both Irrelevant and Inaccurate**

The Clearinghouse rejected Heather Technologies' application because, in part, it concluded that Heather did not possess sufficient expertise to manage the company without James. Att. B, p. 2. The relative experience of different employees of a company is *not* a criterion identified in General Order 156 to assess whether a majority shareholder/employee is exercising "the power to make policy decisions."

First, a company should not be denied WBE status because the majority owner is associated with or has hired people with significant experience or industry connections. Any business owner should be free to associate and work the best people suited to advance the business' interests. Nor is there anything improper or inconsistent with WBE status for an owner to learn from and utilize the experience of its co-owners and workers. A person does not cede control over a business simply because others associated with it have more years of experience.

Second, Heather Technologies amply demonstrated that Heather has more than sufficient expertise, knowledge, and experience in the industry to manage its affairs. Running a company involves more than just experience with the products being acquired and sold. A person must also have knowledge of contracts, human resources, finances, and managerial skills. These are all attributes and experience that Heather has in droves, based on prior work history. Moreover, her prior work with ACC and in assisting James over the years has given her insight into the industry, as well as contacts with key vendors, suppliers, and customers. Even if the relative experience of employees and owners was a factor in determining control (it is not), Heather has more than enough experience to successfully manage and operate the company.

**2. Heather's Work with the Irvine Company Has No Bearing on Whether She Controls the Operations of the Company**

In rejecting its application, the Clearinghouse questioned whether Heather could manage Heather Technologies while still employed by the Irvine Company. Att. B, p. 2. However, it is not unusual for workers in salaried positions, such as Heather, to work in excess of a normal 40-hour week, as the needs demand. In fact, work associated with managing Heather Technologies frequently takes place outside of normal business hours, as well as within traditional work hours.

Heather has electronic systems in place that allow her monitor, address, and respond to all issues that might arise at any point from any location. As a salary employee, she has some

flexibility in performing her job functions, which can also be performed from any location. Heather currently has the flexibility to work from home, with some days spent in the Irvine Company and Heather Technologies offices.

The issue, however, is not how much time she spends on either job, but whether she actually exercises control over Heather Technologies. A leader of an organization is not required to perform every task of that organization. In this case, Heather has set the parameters for financial goals, profit objectives, and negotiation strategy. She also must approve any purchases, sales, contracts and expenditures. Heather Technologies is still a small business, with one warehouse employee and essentially two salesmen, including James. While working both jobs requires more than 40 hours of effort a week, it is not difficult to see that Heather can satisfy her obligation to both the Irvine Company and Heather Technologies. More importantly, her work with the Irvine Company does not prevent her, in any way, from exercising control over the management and operation of Heather Technologies within the meaning of General Order 156.

### **3. The Clearinghouse's Assertion that James Could Hire People without Heather's Approval Is Factual Incorrect**

To support its determination, the Clearinghouse found that Heather indicated that James “hired his nephew to maintain the books.” Att. C, p. 2. It used this as evidence that James could make unilateral decisions. The finding is inaccurate and fails to account for the complete story.

James cannot make any hiring decisions without Heather's approval. In fact, he did not hire his nephew. Heather Technologies employed an outside accounting firm to maintain its books. The accountant asked if he could assign his nephew, not James' nephew, to work on Heather Technologies' books. While he did not consult Heather, agreeing to the accountant's request did not involve either a change in accounting firms or additional costs that would have to be approved by Heather.

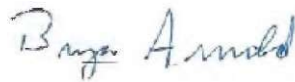
What the Clearinghouse failed to appreciate is what happened after the outside accountant assigned his nephew to work on Heather Technologies' books. The fact is that the new individual performed badly. It was Heather that made the decision to remove him and prevent the accounting firm from continuing to use him. It also failed to appreciate that it is because Heather is responsible for the day-to-day management that it fell on her to make sure the errors were corrected and the books were maintained properly on a going-forward basis. Contrary to the Clearinghouse's findings, this incident actually supports a finding that Heather is in control of Heather Technologies within the meaning of General Order 156.

#### **IV. CONCLUSION**

Heather Wade owns 51% of Heather Technologies' stock. In addition, she is responsible for the overall management and day-to-day operations of the company. Consequently, the requirements for certification as a WBE under General Order 156 are fully satisfied. Heather Technologies respectfully requests that the Administrative Law Judge assigned to this complaint grant Heather Technologies' appeal of the Clearinghouse's determination of status as a WBE under General Order 156.

Dated: October 20, 2022

Respectfully submitted,



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Bryan B. Arnold  
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Irvine, CA 92618  
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[barnold@gna-law.com](mailto:barnold@gna-law.com) email

*Attorneys for Heather Technologies Corporation*

**ATTACHMENT B**

**MAY 27, 2022 SUPPLIER CLEARINGHOUSE DENIAL NOTIFICATION**

## Heather Wade

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**From:** Supplier Clearinghouse <sch@thesupplierclearinghouse.com>  
**Sent:** Friday, May 27, 2022 1:09 PM  
**To:** Heather Wade  
**Subject:** SCH: Denial Notification



May 27, 2022

Heather Wade  
Heather Technologies Corporation DBA Heather Technologies  
1746 W Katella Ave  
Suite 5  
Orange, CA 92867

Supplier Clearinghouse Verification Order Number: 22000055

Heather Wade:

In accordance with General Order 156 and the Supplier Clearinghouse Eligibility Standards, please accept this letter as notification that your application for Women Business Enterprise (WBE) certification has been reviewed and unfortunately your request is denied. The decision to deny your firm is effective as of the date of this letter.

According to your firm's governing documents submitted, Heather Technologies Corporation DBA Heather Technologies does not meet the criteria under General Order 156, and the Supplier Clearinghouse Eligibility Standards.

Section 1.3, Subsection 1.3.2: "Women-owned business" means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.

Section 1.3, Subsection 1.3.14: "Control" means exercising the power to make policy decisions.

Section 1.3, Subsection 1.3.15: To "operate" means to be actively involved in the day-to-day management. It is not enough to merely be an officer or director.

The reasons for the denial are listed below:



The application submitted identified the ownership and management of Heather Technologies, Inc. as follows: Heather Wade, a woman who owns 51% and serves as the firm's Chief Financial Officer ("CFO"); and James Wade, a male who owns 49% and serves as the firm's President.

As described in the application, Heather Technologies is a wire and cable distributor that sells network infrastructure products for the computer and telecommunications industries. Heather Wade has no prior industry experience. According to the resume submitted, she is currently employed full-time as a senior manager for Irvine Company Office Properties. During the phone interview conducted on January 27, 2022, Ms. Wade stated that her current duties consist of managing the finances and credit applications, handling quick books and payroll, performing human resource tasks, and working on the website. Although Ms. Wade stated that she dedicates 50 hours a week to the company, it is unclear how she can manage 50 hours per week as well as work her full-time job.

James Wade has over 45 years of industry experience. Before starting this company, he had his own company, Bluestone Networks Corporation, for six years, which provided the same products and services. Mr. Wade is currently working full-time and is responsible for sales, client relations, bidding, and estimating. During the interview, Ms. Wade stated that he "knows how to talk about the work they do." This firm also has two key personnel: John Rudy, a consultant, and Gilbert, the warehouse manager, both of whom have many years of industry experience and contact with Mr. Wade. Both had previously worked with Mr. Wade. During the interview, Ms. Wade stated that "James, John, and Gilbert physically work the majority of the time at the office." The current clients are also contacts of Mr. Wade and were obtained by him. Additionally, the major contracts mentioned during the phone interview were all negotiated by Mr. Wade.

The initial investment came from their joint checking account and in the form of a cashier's check for \$350,000 as a result of selling their home. The check provided was paid to the order of James Thomas Wade. When asked how it was determined that she would be the majority owner, Ms. Wade stated that she was still learning the business but was based on her "work and efforts as a problem solver and fixer." Furthermore, Mr. Wade was the catalyst for starting this company. When asked why she started this company, Ms. Wade stated, "the idea popped into her husband's head" and was started after her husband was out of work doing sales in the wire and cable industry.

Lastly, according to the Action by Unanimous Consent in Lieu of Organizational Meeting Minutes of the Board of Directors of Heather Technologies Corporation, James T. Wade is listed as President and Heather L. Wade is listed as Chief Financial Officer. As President, James Wade is the highest-ranking officer and holds uncontested control of the corporation. Heather Wade, in her capacity as CFO, ultimately reports to him. She neither possesses the autonomy to operate this firm without Mr. Wade's authorization nor does she have the subject-matter expertise to operate it without his support. This was confirmed in the phone interview. When asked who makes final decisions, Ms. Wade stated, "It is a team effort and discussion decided based on experience."

This firm does not meet the qualifications for certification as it is reliant on non-qualifying owners and individuals for technical expertise, and the overall roles in the company are disproportioned. This firm is not independently controlled or operated by the woman-owner as the male-owner and other individuals are disproportionately responsible for the services provided by this firm. Under General Order 156 and the established Supplier Clearinghouse Eligibility Standards, Heather Technologies, Inc. did not meet the criteria for women business enterprise. Based on the evidence, this firm did not demonstrate that it complies with GO 156 with respect to "control" and "operate."

If you do not agree with this decision, and you believe that your company should be granted Women Business Enterprise (WBE) status, you may file an internal appeal with the Supplier Clearinghouse. You may file your internal appeal by using one of the two methods below:

1. Submit a written appeal that lists and identifies opposing facts and evidence which support your contention that Women Business Enterprise (WBE) status should be granted to your company; or
2. Submit a written request to have a review meeting with a Supplier Clearinghouse representative at which time you may present oral and written facts and evidence to support your contention that Women Business Enterprise (WBE) status should be granted to your company.

Your appeal will be limited to the reasons stated in this Women Business Enterprise (WBE) verification "Denial Notification" letter. If you choose to appeal, you must do so within **14 days** of the date of this letter. The review of your appeal will be based solely on the documents submitted with the original application as of the date of your affidavit. The Supplier Clearinghouse will not accept updated, revised, or new documents when reviewing your appeal. Refer to our Complaint, Appeal and Dispute Investigation Procedure at <https://bit.ly/3bYwk2F> for more information on the process.

Please reference your verification order number and your company name and submit all correspondence to:

[info@thesupplierclearinghouse.com](mailto:info@thesupplierclearinghouse.com)

If you decide not to appeal this decision, you may reapply for certification twelve months from the date of this letter. If you have any questions, you may contact our offices toll free at (800) 359-7998. You may also visit our website for additional information at [www.thesupplierclearinghouse.com](http://www.thesupplierclearinghouse.com).

Sincerely,

A handwritten signature in dark ink, appearing to read 'Jasmin Joseph', with a long horizontal flourish extending to the right.

Jasmin Joseph  
Certification Manager

This message was sent to: "Heather Wade"  
Sent on: 5/27/2022 3:09:05 PM  
System ReferenceID: 162284048

**ATTACHMENT C**

**SEPTEMBER 30, 2022 SUPPLIER CLEARINGHOUSE APPEAL RESPONSE**



# The Supplier Clearinghouse

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3525 Hyland Ave., Suite 135  
Costa Mesa, CA 92626  
Phone (800) 359-7998  
Fax (888) 549-3803  
info@thesupplierclearinghouse.com  
www.thesupplierclearinghouse.com

September 30, 2022

**RE: Appeal Response**

Heather Leslie Wade  
Heather Technologies Corporation  
1746 W Katella Ave, Suite 5  
Orange, CA 92867

**Supplier Clearinghouse Verification Order Number: 22000055**

Dear Heather Wade:

The Supplier Clearinghouse has carefully considered the facts presented by Heather Technologies Corporation in the appeal letter received on June 9, 2022, appeal meeting held on June 17, 2022, the application, supporting documentation, and supplemental documentation submitted to the Supplier Clearinghouse. The denial is hereby affirmed and the decision to deny Heather Technologies Corporation Women Business Enterprise ("WBE") certification is upheld. The upholding of the denial is supported by evidence in the record and is consistent with General Order 156 and Supplier Clearinghouse Eligibility Standards.

A full review of your certification file and information appealing the decision to deny WBE certification was performed. There is substantial evidence that supports the Supplier Clearinghouse's determination that Heather Technologies Corporation does not meet the General Order 156 certification eligibility standards established for WBE status.

The primary reasons for upholding the denial are explained below:

Heather Technologies Corporation submitted a Fast Track Application to the Supplier Clearinghouse. The firm's ownership and management were presented as follows: Heather Wade, a woman who owns 51% and serves as the firm's Chief Financial Officer ("CFO"); and James Wade, a male who owns 49% and serves as the firm's President.

Heather Technologies Corporation is a wire and cable distributor that sells network infrastructure products for the computer and telecommunications industries. Ms. Wade has a background in executive assisting and is currently employed full-time as a senior manager for Irvine Company Office Properties. During the appeal meeting, Ms. Wade stated that she has experience in the wire and cable industry. Upon review of her resume, her position was not technical, as she was an Executive Assistant. Currently, her primary role in the company is administrative. James Wade, Heather Leslie Wade's husband, has over 45 years of relevant industry experience and is responsible for all sales, client relations, bidding, and

estimating, which are vital to the success of the company. During the appeal meeting, Ms. Wade stated that she attends tradeshow with Mr. Wade, he establishes a relationship and introduces her.

The evidence of capital contribution provided during the application process shows the initial investment came jointly and equally from Ms. Wade and Mr. Wade. When asked how the ownership was structured, Ms. Wade stated, "He [Mr. Wade] decided this for my future." Based on the information provided during the application and appeal process, Ms. Wade cannot independently run the company and is dependent on Mr. Wade. While the financial tasks associated with running this business are valuable, Mr. Wade's technical expertise is essential to the services provided by Heather Technologies Corporation. Furthermore, Ms. Wade's employment elsewhere limits her availability to Heather Technologies Corporation during prime business hours and restricts her involvement in the daily operations.

Lastly, the Action by Unanimous Consent in Lieu of Organizational Meeting Minutes of the Board of Directors of Heather Technologies Corporation identifies James T. Wade as President and Heather L. Wade as Chief Financial Officer. Based on the Heather Technologies Corporation's company bylaws, James Wade, President, has ultimate authority over the company and is the highest-ranking officer. As CFO, Heather Wade is subordinate to him. During the appeal meeting, Ms. Wade explained that Mr. Wade hired his nephew to maintain the books, and she has been busy cleaning them up since then. The fact that Mr. Wade can make unilateral decisions demonstrates the significance of his involvement in managing the operations of the company.

Under General Order 156 and established Supplier Clearinghouse Eligibility Standards, Heather Technologies Corporation is not controlled or operated by its woman-owner. The qualifying owner does not have the subject-matter expertise and did not demonstrate adequate control of the business. For the reasons explained in this letter, the denial of Heather Technologies Corporation is being upheld. You may reapply for WBE certification twelve (12) months from the date of the denial letter (May 27, 2022).

You may lodge a formal appeal of this decision to the California Public Utilities Commission (CPUC) within 20 days from the date of this letter in accordance with General Order 156. If you elect to do so, you must also submit a copy of your formal appeal to the Supplier Clearinghouse.

Thank you for your interest in the Supplier Diversity Program. If you have any questions, you may contact our offices toll-free at (800) 359-7998.

**The Supplier Clearinghouse**



**Susan Mathews,  
Certification Director**

**ATTACHMENT D**

**HEATHER TECHNOLOGIES CORPORATION STOCK CERTIFICATE**



NUMBER

1

INCORPORATED UNDER THE LAWS OF THE STATE OF CALIFORNIA  
SEPTEMBER 23, 2021

SHARES

**Heather Technologies Corporation**

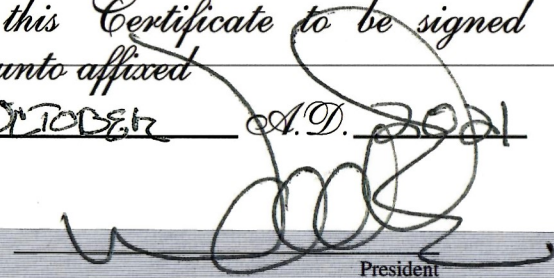
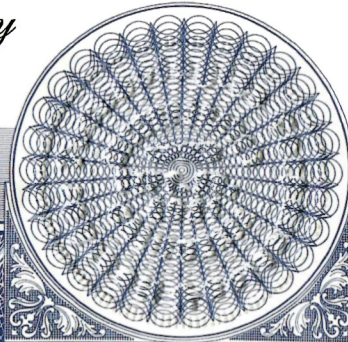
AUTHORIZED: 100 SHARES COMMON STOCK \$.001 PAR VALUE EACH

This Certifies that HEATHER LESLIE WARD is the  
registered holder of 51 FIFTY ONE Shares  
of the above named Corporation, transferable only on the books of the Corporation by the  
holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed  
by its duly authorized officers and its Corporate Seal to be hereunto affixed  
this 4<sup>th</sup> day of OCTOBER A.D. 2021



Secretary



President





NOTICE. THE SIGNATURE OF THIS ASSIGNMENT  
MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE  
FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT  
ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

For Value Received \_\_\_\_\_ hereby sell, assign and transfer  
unto \_\_\_\_\_

Shares

represented by the within Certificate, and do hereby  
irrevocably constitute and appoint

Attorney

to transfer the said Stock on the books of the within named  
Corporation with full power of substitution in the premises.

Dated \_\_\_\_\_,

In presence of \_\_\_\_\_



NUMBER

2

INCORPORATED UNDER THE LAWS OF THE STATE OF CALIFORNIA  
SEPTEMBER 23, 2021

SHARES

## Heather Technologies Corporation

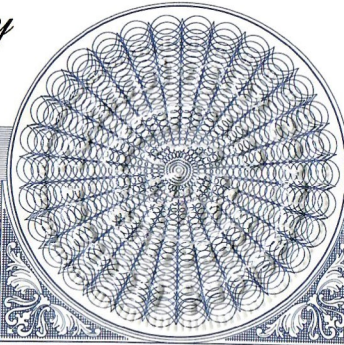
AUTHORIZED: 100 SHARES COMMON STOCK \$.001 PAR VALUE EACH

This Certifies that JAMES THOMAS WADZ is the  
registered holder of 49 FORTY NINE Shares  
of the above named Corporation, transferable only on the books of the Corporation by the  
holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed  
by its duly authorized officers and its Corporate Seal to be hereunto affixed  
this 4TH day of OCTOBER A.D. 2021



Secretary



President





*For Value Received* \_\_\_\_\_ *hereby sell, assign and transfer*  
*unto* \_\_\_\_\_

\_\_\_\_\_ *Shares*  
*represented by the within Certificate, and do hereby*  
*irrevocably constitute and appoint*

\_\_\_\_\_ *Attorney*  
*to transfer the said Stock on the books of the within named*  
*Corporation with full power of substitution in the premises.*

*Dated* \_\_\_\_\_, \_\_\_\_\_.

*In presence of*  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT  
MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE  
FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT  
ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.